

Message Text

UNCLASSIFIED

PAGE 01 LONDON 07111 01 OF 02 091748Z

44

ACTION EB-07

INFO OCT-01 EUR-12 OES-05 PM-03 CIAE-00 DODE-00 H-02

INR-07 L-02 NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15

USIA-15 DOTE-00 FMC-02 CG-00 OFA-01 DLOS-05 ACDA-10

IO-10 NRC-07 FEAE-00 ERDA-07 ISO-00 /121 W

----- 081225

R 091737Z MAY 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 1018

INFO MARAD WASHDC

AMEMBASSY BONN

UNCLAS SECTION 01 OF 02 LONDON 07111

MARAD PASS: Z. LEVINE, OFFICE OF ADVANCED SHIP DEV., AND
R. GAGE, OFFICE OF INTERNATIONAL ACTIVITIES
STATE ALSO PASS: US COAST GUARD WASHDC, CAPT. C. MATHIEU,
COORDINATOR FOR NUCLEAR ACTIVITIES

E.O. 11652:N/A

TAGS: EWWT, ENRG, TECH, UK, GW

SUBJ: NUCLEAR POWERED MERCHANT VESSELS

1. SUMMARY: THE DEPT OF INDUSTRY CONCLUDES IN ITS
SECOND REPORT ON THE NUCLEAR SHIP STUDY THAT SUBJECT TO
SEVERAL UNCERTAINTIES, AN ECONOMIC ASSESSMENT OF CONVEN-
TIONAL
TO VS. NUCLEAR PROPULSION NOW FAVORS NUCLEAR PRO-
PULSION, PARTICULARLY FOR CONTAINER SHIPS. ANY UK BUILT
NUCLEAR PROPELLED SHIP WOULD PROBABLY USE A PRESSURIZED
WATER REACTOR. THE REPORT MAKES NO RECOMMENDATION BUT
OBSERVES THAT ALTHO UK HAS THE CAPABILITY TO DESIGN,
DEVELOP AND CONSTRUCT MARINE REACTORS AND TO BUILD NUCLEAR
MERCHANT SHIPS, IT WOULD BE PREFERABLE TO SEEK INTER-
NATIONAL COLLABORATION TO REDUCE THE TIME SCALE AND COSTS
TO THE UK AND TO ENLARGE THE POTENTIAL MARKET. IT IS
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 LONDON 07111 01 OF 02 091748Z

CONSIDERED THAT THE UK COULD OFFER EXPERIENCE IN FIELDS

OF REACTOR MANUFACTURE AND THE PROVISION OF FUEL. OF THE COUNTRIES WITH NUCLEAR SHIP EXPERIENCE, THE FEDERAL REPUBLIC OF GERMANY APPEARS TO HAVE SHOWN THE MOST INTEREST IN THE QUESTION OF COLLABORATION. END SUMMARY.

2. THE SECOND REPORT ON THE NUCLEAR SHIP STUDY WAS COMPLETED BY THE INTERDEPARTMENTAL STEERING GROUP FROM WITHIN THE DEPARTMENTS OF INDUSTRY, TRADE, ENERGY AND DEFENCE, AND WAS PUBLISHED IN APRIL 1975. BECAUSE OF THE RISE IN OIL PRICES IN THE AUTUMN OF 1973, THERE WERE EVIDENT REPERCUSSIONS FOR THE ECONOMICS OF THE NUCLEAR MERCHANT SHIPS. CONSEQUENTLY, THE NUCLEAR SHIP STEERING GROUP WHICH HAD PREVIOUSLY REPORTED IN 1971 AGAINST NUCLEAR PROPULSION ON ECONOMIC GROUNDS, WAS RECONVENED. THE REPORT OF THE STEERING GROUP MAKES NO RECOMMENDATIONS AND IS INTENDED TO PROVIDE A BACKGROUND AGAINST WHICH DISCUSSIONS BETWEEN ALL INTERESTED PARTIES CAN TAKE PLACE. (COMMENT: AT THIS TIME THERE SEEMS TO BE NO SUBSTANTIVE DISCUSSION BETWEEN THE SHIPBUILDING INDUSTRY, WHICH IS PRESENTLY BEING NATIONALIZED, OR SHIPOWNERS. BECAUSE OF UNCERTAINTIES IN THE PROJECTIONS OF FUTURE OIL TRADES IT IS UNLIKELY THAT UK SHIPOWNERS WILL STIMULATE A DEMAND FOR NUCLEAR SHIPS IN THE NEAR FUTURE. END COMMENT)

3. IT WAS CONCLUDED THAT A PRIMA FACIE CASE FOR THE COMMERCIAL ADOPTION OF NUCLEAR PROPULSION WAS PROVED ALTHO A NUMBER OF MAJOR UNCERTAINTIES EXIST. A NUCLEAR SHIP PROGRAM WOULD INVOLVE, AT THE MINIMUM, A TOTAL EXPENDITURE OF SOME POUNDS 50M-100M. IT WAS CONSIDERED THAT THE NEXT STAGE IN THE STUDY MUST BE A MORE DETAILED EXAMINATION IN CONJUNCTION WITH INDUSTRY. THE MOST ECONOMICAL ARGUMENT IS MADE FOR 27-KNOT CONTAINER SHIPS.

4. SOME OF THE UNCERTAINTIES INCLUDE: A) A FUTURE PRICE LEVEL OF BUNKER FUEL; B) THE ADDITIONAL COSTS REQUIRED TO MEET RESTRAINTS IMPOSED ON THE OPERATOR DUE TO SAFETY IMPLICATIONS; C) THE PROCEDURES FOR THE CLEARANCE OF NUCLEAR VESSELS TO PORTS AND THE SELECTION OF BERTHS WHICH SHOULD BE SOMEWHAT REMOTE FROM POPULATION CENTERS UNTIL CONFIDENCE IS ESTABLISHED; D) SPECIAL HANDLING

UNCLASSIFIED

PAGE 03 LONDON 07111 01 OF 02 091748Z

FACILITIES FOR FUELING. THE STEERING GROUP HAS NO DOUBT THAT THE UK HAS THE CAPABILITY TO DEVELOP DESIGN AND CONSTRUCT MARINE REACTORS AND THERE IS NO INSURMOUNTABLE DIFFICULTY IN BUILDING NUCLEAR MERCHANT SHIPS. HOWEVER, THERE IS A NEED FOR THE UK SHIPBUILDER TO REORIENT HIMSELF TO THE NUCLEAR ENGINEERING AND TO THE NEED FOR NEW FACILITIES PLUS ADDITIONAL STAFF. NO UK SHIPBUILDERS AT PRESENT HAVE THE FULL CAPABILITIES REQUIRED. IF A

NUCLEAR SHIP PROGRAM IS TO BE UNDERTAKEN IT WILL BE
NECESSARY FOR UK NUCLEAR INDUSTRIALISTS TO BECOME
ASSOCIATED WITH SHIPBUILDERS AND SHIPOWNERS. THERE IS
NO SINGLE INDUSTRIAL ORGANIZATION FOR MARINE REACTOR
SUPPLY AND DESIGN AND THIS WOULD NEED TO BE SET UP
QUICKLY WITH ADEQUATE FINANCIAL RESOURCES TO MAKE THE
BEST USE OF EXISTING TECHNOLOGY.

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 LONDON 07111 02 OF 02 091744Z

44

ACTION EB-07

INFO OCT-01 EUR-12 OES-05 PM-03 CIAE-00 DODE-00 H-02

INR-07 L-02 NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15

USIA-15 DOTE-00 FMC-02 CG-00 OFA-01 DLOS-05 ACDA-10

IO-10 NRC-07 FEAE-00 ERDA-07 ISO-00 /121 W

----- 081250

R 091737Z MAY 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 1019

INFO MARAD WASHDC

AMEMBASSY BONN

UNCLAS SECTION 02 OF 02 LONDON 07111

5. A NUMBER OF OPTIONS WERE CONSIDERED AS ALTERNATIVES
TO DEVELOP A UK CAPABILITY. THE STEERING GROUP REJECTED:
A) DOING NOTHING AND PURCHASING SHIPS FROM FOREIGN
SUPPLIERS, AND, B) WAITING UNTIL A FOREIGN SUPPLIER CAN
PUT UP LICENCE ARRANGEMENTS ON COMMERCIAL TERMS, SINCE
THESE OPTIONS WOULD DENY UK INDUSTRY THE ADVANTAGE OF
EXPLOITING EARLY OPPORTUNITIES. THE OPTION OF COLLABOR-
ATING WITH FOREIGN INTERESTS WHO ALREADY HAVE EXPERIENCE
IN THE FIELD WAS CONSIDERED TO HAVE ADVANTAGES OF
SHARING COMMON TECHNOLOGY, REDUCE COSTS THROUGH STAND-

ARDIZATION, LARGER MARKETS, SHORTER LEAD TIME, AND WIDER RANGE OF INFLUENCE ON THE INTERNATIONAL ACCEPTABILITY OF NUCLEAR POWERED SHIPS AND ON THE RULES GOVERNING THEIR OPERATION. THE FEDERAL REPUBLIC OF GERMANY APPEARS TO HAVE SHOWN THE MOST INTEREST IN THE QUESTION OF COLLABORATION AND EXPLORATORY DISCUSSIONS, BOTH ON AN INTER-GOVERNMENTAL AND ON AN INTER-INDUSTRY BASIS, HAVE BEEN UNDER WAY.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 LONDON 07111 02 OF 02 091744Z

5. A COPY OF THIS STUDY HAS BEEN FORWARDED TO MR. ZEL LEVINE, OFFICE OF ADVANCED SHIP DEV., MARAD, WASHDC.

RICHARDSON

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: RESEARCH, REPORTS, CONSTRUCTION, SHIPBUILDING INDUSTRY, NUCLEAR POWERED SHIPS, CARGO SHIPS
Control Number: n/a
Copy: SINGLE
Draft Date: 09 MAY 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975LONDON07111
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750163-0829
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750566/aaaacijz.tel
Line Count: 189
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: SmithRJ
Review Comment: n/a
Review Content Flags: ANOMALY
Review Date: 29 SEP 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <29 SEP 2003 by buchantr>; APPROVED <16 JAN 2004 by SmithRJ>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: NUCLEAR POWERED MERCHANT VESSELS
TAGS: EWWT, ENRG, TECH, UK, GE
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006